CANADA: PULSE AND SPECIAL CROPS (P&SC) OUTLOOK

August 31, 2010

Total production of P&SC in Canada is estimated by Statistics Canada's at 5.6 million tonnes (Mt), down marginally from last year. Supply is estimated to increase by 7% due to high carry-in stocks. The outlook assumes near normal crop quality. Total domestic use is expected to rise to 1.2 Mt. Total exports are forecast to increase marginally as higher exports of peas are partially offset by lower exports of lentils. Total carry-out stocks are forecast to rise for the third consecutive year to a record 1.4 Mt. In general, P&SC prices are forecast to decrease from the 2009-10 level due to burdensome Canadian and world supply. The Canadian dollar is assumed to average slightly stronger than last year vis-à-vis the US dollar. The main factors to watch are temperatures and precipitation, exchange rates and the condition of the world crops.

DRY PEAS

Production is estimated at 3.1 Mt, down 8% from 2009-10, largely due to lower in seeded area in Saskatchewan. Yellow pea production is expected to fall to 2.4 Mt and green pea production is forecast to rise to 0.6 Mt. Total seeded area decreased as a result of lower prices and burdensome carry-in stocks. Supply is estimated to rise by 6% to a record 4.1 Mt as lower production is more than offset by record carry-in stocks. Exports are forecast to increase to 2.5 Mt due to increased demand from the Indian subcontinent along with lower expected prices. Domestic use is also expected to increase as feed quality pea prices also fall. Carry-out stocks are forecast to decrease but remain historically high. The average price is expected to fall from 2009-10 due to the large Canadian supply, especially if the quality is lower and a larger percentage of the dry peas are sold as feed.

LENTILS

Production is estimated to increase by 16% from 2009-10 due to a sharply higher seeded area and yields. Large green lentil production is forecast to rise marginally to 0.6 Mt and red lentil production is expected to rise sharply to 1.0 Mt. Seeded area as estimated by Statistics Canada, increased by 23% to a record level. Supply is estimated to rise by 16% to a record 1.8 Mt. Exports are expected to decrease due to lower exports to Turkey and the Indian sub-continent. Carry-out stocks are forecast to increase significantly due to the large supply. The average price is forecast to fall from 2009-10 because of the higher Canadian and world supply. Increased export competition with the US, Australia and Turkey in common markets is also expected to pressure Canadian prices.

DRY BEANS

Total production is expected to increase to 243 thousand tonnes (kt) due to the sharply higher seeded area in Ontario. Total White pea bean production is expected to rise sharply and coloured types are forecast to rise marginally. Total seeded area increased due to the high prices observed in 2009-10. Supply is estimated to increase. Exports are forecast to remain unchanged as the increase in EU-27 exports is expected to be offset by lower exports to the US. US dry bean production is forecast by the USDA at a near record 1.3 Mt, due to larger expected North Dakota production of Pinto and Black bean types. Canadian carry-out stocks are expected increase sharply. The average price over all types and grades is forecast to decrease due to the large North American supply.

CHICKPEAS

Production is expected to increase to 86 kt due to lower yields and higher rates of abandonment. Kabuli production is expected to rise while desi production is expected to be unchanged. Total supply is estimated to fall sharply due to low carry-in stocks. Exports are forecast to decrease as a result of lower demand from Asia and the Indian subcontinent. Carry-out stocks are expected to fall marginally. The average price is forecast to decrease as lower Canadian supply is offset by the higher world supply.

MUSTARD SEED

Production is estimated to decrease sharply to 172 kt due to a lower seeded area and higher rates of abandonment. Yellow type production is expected to fall while brown and oriental types remain mostly unchanged. Total supply is estimated to increase due to high carry-in stocks. Exports are expected to rise, particularly to the EU-27 and the US. Carry-out stocks are forecast to increase and continue to be burdensome. The average price is expected to decrease compared to 2009-10 as carry-out stocks rise for the third consecutive year.

CANARY SEED

Production is expected to increase marginally to 150 kt due to lower expected rates of abandonment which offset lower seeded area and yields. Supply is estimated to fall due to lower carry-in stocks. Exports are expected to decrease from the limited supply and carry-out stocks are expected to remain unchanged. As a result, the average price is forecast to be unchanged from 2009-10.

SUNFLOWER SEED

Production is estimated to increase marginally to 105 kt as lower seeded area is more than offset by higher expected yields. Production of confectionary types is expected to rise while oil types remain unchanged. US production is forecast to rise marginally to 1.4 Mt as lower oil type production is offset by higher confectionary type production. Exports are expected to increase due to the excess supply. Canadian carry-out stocks are expected to rise for the third consecutive year. The average price is also forecast to fall from 2009-10 because of the larger US supply and rising Canadian carry-out stocks.

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CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION **August 31, 2010**

Grain and Crop Year (a)	Area Seeded	Area Harvested	Yield	Production	Imports (b)	Total Supply	Exports (b)	Total Domestic Use (d)	Carry-out Stocks	Stocks-to-Use Ratio	Average Price (e)
	thousand ha		*t/ha*	*--thousand metric tonnes--*						*%*	*$/t*
Dry Peas											
2007-2008	1,469	1,443	2.03	2,935	38	3,139	2,202	683	255	9	305
2008-2009	1,617	1,582	2.26	3,571	15	3,841	2,826	571	445	13	250
2009-2010p	1,522	1,487	2.27	3,379	50	3,874	2,200	694	980	34	185
2010-2011f	1,386	1,297	2.39	3,100	30	4,110	2,500	760	850	26	150-180
Lentils											
2007-2008	540	534	1.37	734	9	942	811	80	51	6	635
2008-2009	706	700	1.49	1,043	7	1,102	972	98	32	3	750
2009-2010p	971	963	1.57	1,510	9	1,551	1,395	126	30	2	645
2010-2011f	1,192	1,119	1.57	1,758	8	1,796	1,300	196	300	20	490-520
Dry Beans											
2007-2008	153	153	1.82	277	50	367	300	47	20	6	725
2008-2009	128	125	2.12	266	54	340	282	50	8	2	815
2009-2010p	119	113	1.96	220	53	281	230	46	5	2	705
2010-2011f	132	126	1.93	243	52	300	230	45	25	9	605-635
Chickpeas											
2007-2008	174	174	1.29	225	8	243	69	83	92	61	560
2008-2009	53	51	1.30	67	4	163	53	48	62	61	560
2009-2010p	42	40	1.87	76	5	143	60	48	35	33	540
2010-2011f	61	53	1.64	86	5	126	50	46	30	31	490-520
Mustard Seed											
2007-2008	176	176	0.70	123	0	215	168	20	27	14	695
2008-2009	194	186	0.87	161	1	189	131	14	44	30	845
2009-2010p	212	208	1.00	208	0	252	120	22	110	77	510
2010-2011f	166	158	1.09	172	0	282	135	32	115	69	440-470
Canary Seed											
2007-2008	178	174	0.93	162	0	282	204	13	65	30	560
2008-2009	168	164	1.19	196	0	261	153	25	83	47	480
2009-2010p	128	109	1.30	142	0	225	180	25	20	10	395
2010-2011f	125	118	1.26	150	0	170	130	20	20	13	375-405
Sunflower Seed											
2007-2008	81	79	1.58	125	18	160	112	37	12	8	585
2008-2009	69	69	1.63	112	20	144	88	34	22	18	630
2009-2010p	65	64	1.60	102	25	149	50	54	45	43	505
2010-2011f	61	57	1.84	105	25	175	60	55	60	52	465-495
Total Pulses and Special Crops (c)											
2007-2008	2,771	2,732	1.68	4,581	123	5,348	3,865	962	522		
2008-2009	2,935	2,878	1.88	5,416	101	6,040	4,504	840	696		
2009-2010p	3,059	2,984	1.89	5,637	142	6,476	4,235	1,016	1,225		
2010-2011f	3,122	2,927	1.92	5,613	120	6,958	4,405	1,153	1,400		

(a) August-July crop year.
(b) Excludes products.
(c) Includes Pulses (dry peas, lentils, dry beans, chick peas) and Special Crops (mustard seed, canary seed, sunflower seed)
(d) Includes food, feed, seed, waste and dockage. Total domestic use is calculated residually.
(e) Producer price, FOB plant. Average over all types, grades and markets.
p: preliminary
f: forecast, Agriculture and Agri-Food Canada August 31, 2010
Source: Statistics Canada and industry consultations.